

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3413 – SB 3268

May 17, 2010

SUMMARY OF AMENDMENTS (016380, 018384): Amendment 016380 deletes all language after the enacting clause of the original bill. Increases the cap on the number of fellowships in the Minority Teaching Fellows Program to 130 from 116. Requires the Tennessee Student Assistance Corporation (TSAC) to make an annual report on the Minority Teaching Fellowship Program. The report shall include the number of participants, the loan participation and forgiveness rate, marketing efforts, and the amount of money expended. This report will be submitted to the Education Committees of the General Assembly by October 1 each year. Amendment 018384 deletes Section One of Amendment 016380. Limits participation in the Program to 116 fellowships. Upon appropriation of funds by the General Assembly and the availability of funds in the TSAC deferred revenue account for the Program, the fellowship cap is increased to 130.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$46,800

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Expenditures - \$65,500

Assumptions applied to amendments:

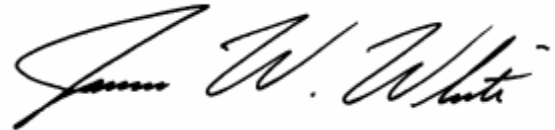
- Participants in the program receive an average award of \$4,682.
- Fourteen new participants will receive awards, an increase in expenditures of approximately \$65,548 (14 x \$4,682).
- According to TSAC, awards for participants that enter the program that are over the current cap will be paid for out of a reserve account funded from fees collected from individuals who do not complete the service requirement.

HB 3413 – SB 3268

- As of June 30, 2009, the reserve account had a balance of \$580,000. According to TSAC, the reserve account will be boosted in future years as more participants drop out of the program. It is assumed that monies in the account that will be utilized for the additional fellowships would not have been moved from the account in the absence of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/msg